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**Letter dated 18 June 2008 from the Permanent Representative of
Finland to the United Nations addressed to the President of the
Economic and Social Council**

I have the honour to transmit herewith the national report of Finland on the implementation of the internationally agreed goals and commitments in regard to sustainable development for the annual ministerial review to be held during the high-level segment of the 2008 substantive session of the Economic and Social Council (see annex).

I would be very grateful if you could circulate the present letter and its annex as a document of the Economic and Social Council, under item 2 (c) of the provisional agenda.

(Signed) Kirsti Lintonen
Permanent Representative

* E/2008/100.



Annex to the letter dated 18 June 2008 from the Permanent Representative of Finland to the United Nations addressed to the President of the Economic and Social Council

Voluntary national report of Finland

Summary

Development policy forms an integral part of Finland's foreign and security policy. It is planned, formulated and implemented by the Ministry for Foreign Affairs in close cooperation with other ministries, non-governmental organisations (NGOs), the private sector, and Finnish society as a whole. In October 2007, the Government of Finland adopted a new Development Policy Programme, which is based on a comprehensive approach to development and covers all policy sectors related to development. In line with the Millennium Development Goals (MDGs), the primary aim of Finland's development policy is the eradication of poverty. This can only be achieved by means of promoting sustainable development. International development cooperation serves as the main instrument for implementing the Government's policy.

Finnish development policy is based on the principles of sustainable development and its three interrelated dimensions: economic, social, and ecological sustainability. This approach builds on the United Nations Conference on Environment and Development in Rio 1992 and subsequent international commitments. Accordingly, Finland promotes economically, socially, and ecologically sustainable development, with a special emphasis on issues related to climate and environment.

The MDGs, with their strong focus on social development and human well-being, are at the heart of Finnish development policy. At the same time, Finland emphasises the need to see beyond the MDGs and address also all development challenges that arise from partners' development strategies or from other global development agendas. Some of these challenges, such as climate change, food security and environmental sustainability, are issues of global survival.

In recent years, climate change and other threats to the environment have forced the world to look deeper into sustainability. Progress in the industrialised countries has so far been guided by a desire to obtain rapid material growth. However, this has also led to the depletion of non-renewable resources and acceleration of their ecologically unsustainable exploitation, climate change, loss of biodiversity and environmental damage. This undermines the very foundation of sustainable development. Even though technological advances help the economy to adapt to the realities of nature, also profound changes are needed in the patterns of production, consumption, and living, which are now spreading all over the world. Development policy is ultimately a question of the values people rely on. Shortage of natural resources and environmental degradation give rise to conflicts and complicate their resolution.

When promoting sustainable development, it is important to recognise that both developing and industrialised countries share the same long-term agenda. Sustainable development in all its three dimensions is needed in order to ensure that the international development goals are achieved. Finnish development policy promotes the approach of humanity policy where development challenges are tackled from a truly global perspective.

Finnish development policy is implemented bilaterally, at the European Union (EU) level, multilaterally, and in cooperation with NGOs. The development goals and guidelines adopted by the United Nations and the EU provide the principal framework for the

implementation of Finland's development cooperation. In order to enhance the effectiveness of development assistance, Finland supports joint programming both in the EU and in the wider donor community. The Government of Finland considers the United Nations system the principal actor in international development policy and, to this effect, all efforts are made to strengthen its position.

The EU also plays an essential role in Finland's development policy. It provides the key framework for our influence on global policy setting; in 2005, the EU jointly adopted a development policy statement, the European Consensus on Development. In the EU, Finland is better able to influence the global development agenda. The primary and overarching objective of EU development cooperation is eradication of poverty in the context of sustainable development, including pursuit of the other MDGs. Together, the EU provides more than half of the world's official development assistance (ODA) and is also the most important development cooperation and trading partner for developing countries. Through Community assistance, Finland participates in poverty reduction and sustainable development also in areas where we do not have bilateral development programmes.

In 2007, Finland's development assistance reached €711 million, which represents approximately 0.40% of Finland's gross national income (GNI). In accordance with an EU Council decision of 2005, the Government is committed to reaching the level of 0.51% of ODA/GNI by 2010 and, ultimately, the United Nations target of 0.7% by 2015. In order to ensure that Finnish assistance is of good quality, the volume of aid will be increased gradually and predictably.

Traditionally, the majority of Finland's development assistance has been channelled through bilateral programmes. The rest has been channelled through multilateral organisations and the EU. In 2007, bilateral cooperation accounted for close to 60% of Finland's aid flows. One third of the funds — an increasing share — were allocated to Least Developed Countries (LDCs). Finland's support to sub-Saharan Africa has also increased, amounting to 30% of all development cooperation in 2007.

Finnish development policy strongly focuses on identifying those themes and sectors where Finland can have the strongest impact on global development. The same principle is also included in the EU code of conduct on complementarity and division of labour. In bilateral cooperation, Finland strives to concentrate on fields where it has cutting-edge expertise, such as forest and water management as well as renewable energy, which are all directly linked with the indicators of MDG7. As an example, Finland is increasing its financing in sustainable forestry, which is often perceived as one of the orphan sectors in development cooperation. We see it as our global responsibility to share our long, extensive and successful experience in global forest policy and development.

Developing countries' national Poverty Reduction Strategy Papers (PRSPs) steer the allocation of development cooperation funding. Finland, its partner countries, and other donors are participating in the further development of PRSPs to ensure that their implementation is ecologically, economically, and socially sustainable. All development cooperation is built on the principle of partnership between developed and developing countries. Conventional "development aid" has been replaced by real partnerships with an emphasis on developing countries' ownership of their own development.

At the national level, Finland has established a high-profile multistakeholder commission for sustainable development and systematic policy work to promote all dimensions of sustainability. The commission has been fundamental in ensuring a comprehensive approach to sustainable development. The success of the Finnish sustainability agenda is largely based on the multistakeholder approach, taken both at the national and the international levels. The national commission consists of various interest

groups and civil society organisations. This same approach has been applied in international forums as well. For example, in the run-up to United Nations summits, NGOs are actively involved and they also participate in the official Finnish delegations.

As a response to MDG8 concerning the creation of global partnerships and according to the Monterrey Consensus on development financing, Finland's Development Policy Programme highlights the concept of comprehensive financing for development, including partnerships for development. It also emphasises the need to mobilise the private sector and various institutional players to promote sustainable development in developing countries. Partnerships between the public and private sectors and the promotion of trade are seen as key strategic means that contribute to economic development and poverty reduction on a sustainable basis. To support the implementation of the new development policy, a cluster approach has been adopted. It refers to the involvement of universities, research institutions, companies, and NGOs working together in the development and implementation of innovative approaches to development cooperation and sustainable development.

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PART A: IMPLEMENTATION OF THE NATIONAL DEVELOPMENT POLICY

1. Key features of Finnish development policy

Development policy is an integral part of Finland's foreign and security policy. In October 2007, the Government of Finland adopted a new Development Policy Programme which is based on a comprehensive approach to development. Finland's primary development objective is poverty eradication as stated in the Millennium Development Goals. It can only be achieved through economically, socially and ecologically sustainable development. International development cooperation serves as the main instrument for implementing the Government's policy.

The new millennium has witnessed a shift from traditional development cooperation to a comprehensive approach to development. It is now recognised that changes are needed in all policy sectors that have an impact on developing countries. Bilateral and multilateral development cooperation is built on the principle of partnerships between developed and developing countries. Conventional 'development aid' has given way to real partnerships with an emphasis on developing countries' ownership of their own development.

Finnish development policy is implemented bilaterally with countries and regions, at the EU level, multilaterally, and in cooperation with various stakeholders like NGOs and the private sector. The development goals and guidelines adopted by the European Union and the United Nations provide the principal framework for the implementation of Finland's development cooperation. Working in the EU is one of the main channels of influence on the global development agenda. The United Nations system is considered to be the leading actor in international development policy and all efforts are made to enhance its position. In the UN we operate both independently and together with other EU Member States.

Finland's development policy is founded on the principles of sustainable development. This builds on the United Nations Conference on Environment and Development in Rio 1992 and subsequent international commitments to enhance sustainability in all its dimensions. Finland promotes economically, socially and ecologically sustainable development. Particular attention is to on issues related to climate and environment, peacebuilding and conflict prevention. Economic development, based on inclusive growth and stable social conditions, is a precondition of poverty reduction. Peace and security, democratic and transparent governance, respect for human rights as well as education and health are all fundamental elements of sustainable development.

In development cooperation, a greater amount of financing will be allocated to the promotion of environmental issues. Special attention will be given to sustainable use of natural resources, such as forests, and to agriculture and rural development, water and sanitation as well as energy. Furthermore, regional integration and capacity-building for trade and information technology feature high in Finland's development cooperation.

In all Finnish development policy, the following three cross-cutting themes are mainstreamed:

- promotion of the rights and status of women and girls, and promotion of gender and social equality;
- promotion of the rights of groups that may become easily excluded, particularly children, people with disabilities, indigenous people and ethnic minorities, and the promotion of equal opportunities for participation;
- combat against HIV/AIDS as a health and social problem.

1.1 Official development assistance

Finland will reach 0.51% of ODA/GNI-level by 2010 and, ultimately, the UN target of 0.7% by 2015. This commitment was first made in the European Council decision in 2005 and renewed in the 2007 Development Policy Programme. In order to ensure that Finnish assistance is of high quality and predictable, the aid volume will be increased gradually.

Since the mid-1990s, there has been a steady increase in Finland's aid flows. In 2007¹, Finland's ODA disbursements reached € 711 million, which represents approximately 0.40% of Finland's GNI.

In recent years, Finland's development assistance has been mainly channelled through bilateral programmes. A minor but important share has been channelled through multilateral organisations and the EU. In 2007, bilateral cooperation accounted for close to 60% of Finland's aid flows. One third of the funds — an increasing share — were allocated to Least Developed Countries (LDCs). Finland's support to sub-Saharan Africa has also increased, amounting to 30% of all development cooperation in 2007.



1.2 Main channels of policy influence and cooperation

Bilateral cooperation

Finland's main long-term development cooperation partner countries are Ethiopia, Kenya, Mozambique, Tanzania, Zambia, Nepal, Vietnam and Nicaragua. Finland has further focused aid on three priority sectors²

¹ Data for 2007 is based on OECD/Development Assistance Committee preliminary statistics.

² Additionally general budget support and NGO support may be provided.

in each country. Between 2000 and 2005, over three-quarters of our total aid (excluding debt relief and humanitarian aid) was allocated to these priority sectors in five of the eight countries. In two of the other three countries, the priority sectors received over half of the total aid. The focal sectors in long-term partner countries are

<u>Partner country</u>	<u>Priority sectors</u>
Ethiopia	education and water/natural resources
Kenya	good governance, forestry and energy sector
Tanzania	good governance, education, forestry & environment sector
Mozambique	education, agriculture & rural development and health
Zambia	agriculture & rural development, environment/natural resources and private sector
Nepal	crisis management, education and environment/water
Vietnam	agriculture & rural development, water and forestry
Nicaragua	rural development/natural resources, health and local governance

In Mozambique, Tanzania, Zambia and Nicaragua, general budgetary support is provided.

Box 1. Finland's cooperation with Tanzania

Tanzania and Finland have had development cooperation for decades. Finland supports the implementation of Tanzania's national growth and poverty reduction strategy through general budget support, basket funding and bilateral projects. At present, the key areas of cooperation are forestry, regional policy and local government and good governance.

In the forestry sector, Finland supports the implementation of the National Forest Programme, with a special emphasis on sector governance and forest resource inventory. Regional policy and local government support is channelled through nationally coordinated programmes called the 'Local Government Reform Programme' and the 'Local Government Capital Development Grant System'. Local democratic governance has improved in recent years with the help of these programmes, but regional equity and local services need to be improved. Finland is currently holding the co-lead of the Local Government Development Partners' Group and plays a key role in policy discussions regarding decentralisation. Finland's bilateral projects in Tanzania are few in number and they fit closely with the thematic focal areas. Good governance is promoted through all of the interventions and in particular through support to Tanzanian civil society. Collaboration of Finnish NGOs and institutions (such as municipalities, universities) with their Tanzanian counterparts is an important element of our cooperation, helping to strengthen national capacities and domestic accountability.

During the past ten years, development cooperation in Tanzania has changed dramatically as geographically and thematically dispersed projects have given way to programme-based approaches and stronger sectoral focus. At the same time, the total value of the Tanzania programme has increased, reaching 34 million euro in 2008. Harmonisation and division of labour between development partners has strongly guided this change. Finland increasingly concentrates on areas where we can best add value in comparison with other partners.

Programme-based approaches, particularly general budget support, focus on strengthening the national systems. Tanzania has been committed to reforms and has shown steady progress over the past years. Recently, major corruption scandals have been revealed in Tanzania. Strong corrective measures are now expected of the Government in order to maintain momentum for effective collaboration also in the future.

European Union

The European Union plays an essential role in Finland's development policy. It provides the main framework for our influence on global policy setting. The EU provides some 60% of global official development assistance and the share is increasing. It is also the most important trading partner for developing countries. The joint EU development policy principles were established in the Development Policy Statement: *the European Consensus on Development* (2005). The values and principles of the statement are shared by all EU Member States including Finland. The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the MDGs.

Finland has been active in the formulation of joint EU positions. The Finnish EU Presidency in 2006 provided a good opportunity for influencing the global agenda through the Union. The primary themes during the Presidency were operationalisation of the EU commitments by finalising the financing instruments on development cooperation, human rights and democracy, promoting policy coherence for development in both policy planning and EU's operational work. Also aid effectiveness, in particular complementarity and division of labour, were paid specific attention.

Financing of development cooperation by the European Commission is a fundamental part of our development cooperation. Its share is 20% of the Finnish ODA. Through community aid Finland participates directly to poverty reduction and sustainable development also in countries and regions where we do not have bilateral programmes. Financing of EC activities rather than proliferation of the Member States' bilateral aid activities also promotes harmonisation and aid effectiveness.

Multilateral institutions

Currently Finland allocates most of its funding for UN organisations via four key actors: the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP). This funding is based mainly on multi-year core funding. Thematic funding to UN organisations is targeted e.g. at strengthening developing countries' economic capacity and ability to negotiate and implement trade agreements, enhancing gender equality and at combating global threats to human health. Funding focuses on programmes and projects that promote ecologically sustainable development.

Box 2. Finland's cooperation with UNFPA on adolescent and youth issues

Since 2001 Finland has partnered with UNFPA's Technical Support Division to strengthen the Fund's technical capacity on adolescent sexual and reproductive health (SRH) programming. In the programme, SRH services are part of a wider strategy including life skills, education and human rights. The programme responds to several priorities of the Finnish Government's development policy: gender equality and empowerment of girls, promoting health, especially sexual and reproductive health and rights, and maternal health, combating HIV/AIDS and contributing to sustainable population development. Finland's thematic contribution (one million euro annually during the past seven years) has been earmarked specifically for adolescent and youth programmes to complement core resources.

This funding has enabled UNFPA to develop a strategic approach to its activities in the youth sector; in 2006, UNFPA launched a Framework of Action on Adolescents and Youth, a new corporate strategy on how to focus on young people in the work of the organisation. With Finnish financial support, UNFPA has been able to position itself as the leader of adolescent and youth issues in the UN framework. Finland's long-standing experience of support to the Adolescent and Youth Programme shows that thematic support which gives room for the organisation's own innovations instead of micro-management by the donor, can be an effective concept in promoting development.

The Government's development policy further underlines the importance of international financing institutions. Finland is actively involved in decision-making at both headquarter and field levels. Financing of international financing institutions (IFI) is to a large extent provided as untied core funding for concessional lending windows of the banks (International Development Association, African Development Fund and Asian Development Fund). More clearly targeted thematic cooperation with the IFIs focuses on the key themes of Finnish development policy such as environment, natural resources and climate, and to good governance and human rights. In various international institutions Finland has supported reforms that enable the poorest developing countries to better exert an influence on the institutions' decision-making.

Finland gives priority to the reform of the UN and the creation of a comprehensive international development architecture. The links and continuum between the various elements of wider security, humanitarian assistance and other forms of development cooperation are being strengthened. Finland supports peace processes and peacebuilding, for example, by funding rule of law work by the UN and the activities of the Peacebuilding Commission and Fund. As part of the efforts to improve the UN's capacity to deal with environmental issues, Finland supports the strengthening of the United Nations Environment Programme, with the aim of transforming UNEP to the United Nations Environmental Organisation (UNEO).

Ensuring more efficient UN operations in the humanitarian, development and environment areas is a crucial part of the organisation's reform process. Finland supports the harmonisation and streamlining of the UN system e.g. through the Economic and Social Council (ECOSOC), the 'One UN' principle, the triennial comprehensive policy reviews, and in the executive boards of operative agencies, both at the headquarters and in the field.

2. Progress made in the implementation of the MDGs and other internationally agreed development goals

Finland is committed to supporting the implementation of the UN Millennium Declaration and the achievement of the MDGs in all development policy and development cooperation. This commitment has guided Finland's development assistance through multilateral, EU and bilateral channels, and Finland has systematically stressed the need to give priority to the MDG agenda, including the need to increase support to Africa and the LDCs.

MDG monitoring at the global level has been carried out primarily in cooperation with the international community under the leadership of the UN. The UN country reports as well as the annual Global Monitoring Reports of the World Bank have been used as the main sources of data. In the long-term partner countries, Finland follows the progress closely through local MDG reporting.

Special attention is paid to the two key issues in the Finnish development policy: poverty reduction and sustainable development. In poverty reduction, progress has been reported globally as well as in Finland's main partner countries. According to current estimates, this goal can be reached at the global level, but a number of countries are falling behind. Poverty has diminished especially in those countries which have been able to create sustainable economic growth. Of Finland's long-term partner countries, Vietnam has been able to achieve particularly good development while our other partner countries have made progress albeit with slower pace.

For sustainable development, and ecological sustainability in particular, fewer indicators are available. Also the changes are slower but once monitored changes take place, their reversal is unlikely. Therefore when promoting ecological sustainability it is essential that decisions can be made and financing allocated also based on indirect qualitative criteria. Measurable indicators are valuable in the planning and monitoring of our cooperation, but policy decisions often need to be made based on other criteria.

The examples in the following chapters give some examples of Finland's support to the MDGs and other international development goals.

2.1 *Creating an environment conducive to development*

Domestic and external resources can be best mobilised when developing countries have established an enabling environment for development. Finland stresses the importance of creating an enabling environment for development and aims at supporting this in all our development efforts. Priority is given to support to good governance, democracy, respect for human rights, gender equality, and a sound institutional framework for private sector development.

Particularly in political dialogue with third countries Finland works with other EU member states. Being active in the EU framework enables Finland to gain more leverage than in purely bilateral relations. At the global level UN system provides the most important forum for Finland's support designed to enhance enabling environments in developing countries. Bilateral development cooperation also plays significant role. For example, in Kenya and Tanzania, support to governance, fight against corruption, local administration and reform of the judicial institutions have been chosen as priority sectors for Finland's bilateral cooperation. In both countries, Finland cooperates closely with other donors in pursuing these development efforts.

Poverty reduction, respect for human rights, democracy, rule-of-law, environmental sustainability and social sector development are elements in Finland's comprehensive approach to security and development. From this perspective, the Finnish Government has used development policy instruments to advance sustainable development that addresses the causes of conflicts and promotes conflict prevention and resolution. Finland's

key partners in security and development work have often been regional organisations, such as the African Union or the Organisation for Security and Cooperation in Europe.

In fragile situations, like in Afghanistan and Western Balkans, the whole development programme is geared towards conflict resolution and rebuilding of societies. Such fundamental factors as peace, the rule of law and basic economic functions have to be established before other development work can yield results.

2.2 Private sector development and support to civil society

The global development goals cannot be reached by the public sector alone. It is evident that development can be best promoted through networks and partnerships where both the public and private sectors and the civil society are involved. By involving all the various stakeholders in our global actions we can best utilise the resources and knowledge available.

The private sector is the main engine of economic growth and economic development. Therefore Finland has provided development funding for a multi-donor facility Mekong Private Sector Development Facility in the Mekong region (Vietnam, Cambodia and Laos) in collaboration with the International Finance Corporation (IFC). Support has also been provided for business incubation activities and ICT projects, for example in South Africa and Vietnam. In Zambia, the private sector and trade development is one of the three focal areas of our development cooperation. In the Energy and Environmental Partnership with Central America, the expertise of the private sector has been successfully used as a foundation for development. In the rural development of Nicaragua, the goal has been to increase the government's capacity to respond to the needs of different types of producers. In addition, a special Finnpartnership programme has become a central actor in transferring Finnish technology and know-how and promoting private sector investments in developing countries.

Finland is engaged in regular dialogue with the civil society both in Finland and in our partner countries. For example, some 10% of our ODA is channelled through Finnish NGOs. They are also actively involved in policy level work. In the past years an NGO representative has also been invited to participate in Finland's official delegations in international conferences. This has proved to be a very useful way to ensure active civil society participation in the preparation of the global development agenda. It has also facilitated extensive dissemination of the results of conferences also to the non-governmental sector.

Developing countries' civil society has been strengthened by channelling support from local cooperation funds to projects conducted by local NGOs. These funds are managed by the Finnish embassies in order to ensure a profound dialogue with the civil society in our partner countries. In fragile situations, support for civil society has been an essential tool in strengthening the structural development of the state.

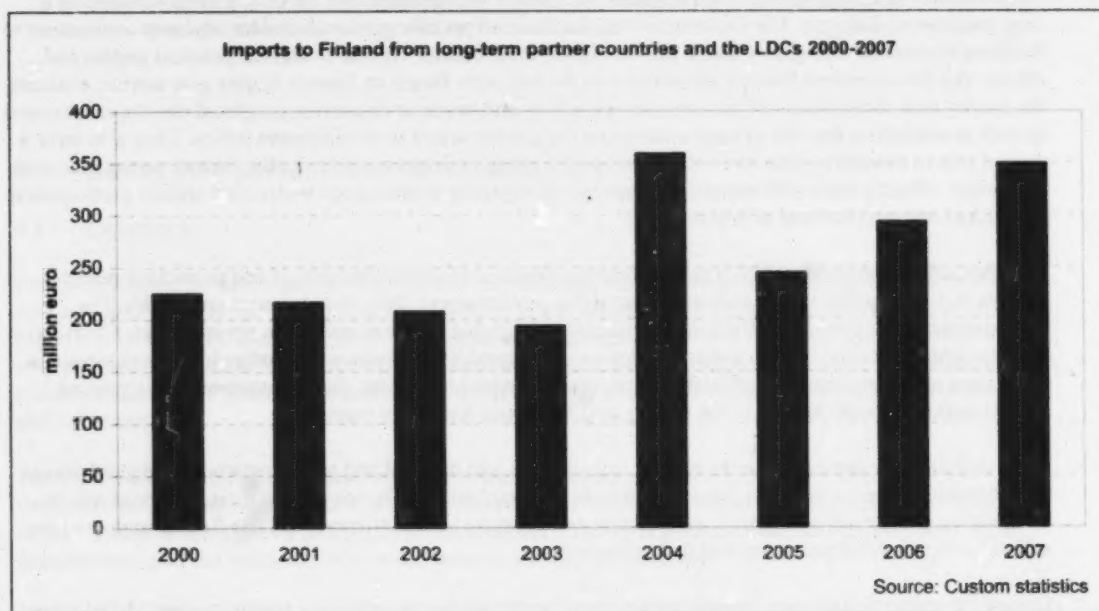
2.3 Trade and development

Aid for Trade (Aft) plays a key role in the development policies by helping developing countries to benefit from trade agreements, to better integrate into the rules-based world trading system and to more effectively use trade in order to attain the MDGs.

Finland organised the first joint meeting of EU Trade and Development Ministers during its EU Presidency in October 2006. The main theme of the meeting was Aft cooperation, and an agreement was made to draw up a common EU Aft strategy to support the implementation of Aft commitments. Finland's active input contributed to the finalisation of the strategy in 2007.

Besides development cooperation, trade policy plays a key role in developing countries' economic development and integration to the global markets. In trade policy, Finland has actively promoted imports from developing countries. The objective has been to ensure that developing countries are able to participate

in the global trading system. Imports from LDCs and our long-term partner countries have grown substantially in the past years.



The Economic Partnership Agreement (EPA) negotiations and the subsequent implementation of the agreement between the EU and the African, Caribbean and Pacific states (ACP States) support the integration of the ACP states into the regional and global economy. Therefore it is of key importance to the participating countries. Finland actively supported the negotiations during its EU Presidency in 2006 and has supported them also thereafter. The EPA negotiations are considered important from the point of view of the coherence of development and trade policies.

Finland has emphasised the creation of an enabling business environment for private entrepreneurs in developing countries. In addition, Finland has supported the participation of international NGOs in international debates on trade and development themes.

2.4 *Enhancing debt sustainability*

Debt sustainability is crucial for long-term development. One of the priorities in Finland's cooperation with the international financial institutions (IFIs) has been support to international debt relief initiatives and measures to ensure debt sustainability. Finland has provided funding to the Heavily Indebted Poor Countries (HIPC) initiative since its launch in 1996 and is committed to participating in the implementation of the Multilateral Debt Relief Initiative (MDRI) in line with the agreed burden-sharing mechanism.

Besides providing funding for the implementation of the debt relief initiatives, Finland pays increasing attention to the long-term debt sustainability of participating countries. Accordingly, efforts to enhance debt management systems, ensure appropriate lending terms and create debt strategies play a significant part in Finland's cooperation in this field.

3. Civil society partnerships

Collaboration on development issues between the Finnish Government and the civil society is based on a long tradition of dialogue. The Government has established specific multistakeholder advisory committees to facilitate systematic dialogue with the private sector, trade unions, NGOs, academia, political parties and others. The Development Policy Committee and the Advisory Board on Human Rights give advice, evaluate the quality and effectiveness of government operations and promote discussion on global development issues as well as strengthen the role of civil society and the private sector in development policy. They also have a special role in monitoring the level of official development assistance. Additionally, various sector ministers and senior officials meet civil society representatives regularly to encourage wider civil society participation in national and international policy-making.

Civil Society Organisations (CSO) are important partners in raising awareness of and promoting public interest in global policy issues such as human rights, environment, debt, development and health. The Government has supported civil society participation in global decision-making in several ways. CSOs have been invited to national preparation and follow-up of major UN conferences and other high-level meetings. They have also participated in official delegations. In the past two years, the Government has organised multistakeholder consultations in the run-up to UN General Assembly meetings.

CSO visibility has improved thanks to their organisation into national and global networks and good access to information. The cooperation between northern and southern NGOs strengthens their important role in challenging governments to remain accountable and sensitive to the citizens. This has further improved the official policy making processes and their inclusiveness.

One of the greatest challenges in sustainable development is how to encourage people to view global issues from a wider perspective. This change needs to be facilitated through public-private partnerships. For example, environmental NGOs and community-based organisations are involved in climate change issues and awareness-raising.

In the past 40 years, an increasing share of Finland's ODA has been channelled via NGOs. Currently approximately 15% of the ODA is channelled through national and international NGOs. The NGOs' development cooperation complements official development cooperation. Although a major part, 20–30% of this support, is directed to education and health sectors, NGOs are no longer confined to the role of service providers but are increasingly influential in policymaking and advocacy work.

Box 3. Finnish Initiative of Empowering Civil Society — Citizens' Global Platform

Finland has supported the Citizens' Global Platform (CGP) networks in Finland, Tanzania, India and Brazil to enhance civil society participation and to make the voices of the silent majority heard in global problem-solving through the Helsinki Process on Globalisation and Democracy. This has strengthened the voices of the poor and marginalised in the south and the north, who have not been able to influence the global agenda. They suffer the most from the negative impacts of globalisation, but have hardly any possibilities of influence. The thematic work of the Citizens' Global Platform has concentrated on the Climate Change and Growth and Employment.

To further improve the participation of marginalised voices in national and global processes, the CGP will pilot a Civil Society Fund in the post-Kyoto process with a view to creating even better mechanisms for CSO participation through research, training and capacity-building.

4. Guiding principles of Finland's development policy

4.1 Coherence

Policy coherence for development requires that the strategies and actions in all policy areas support the eradication of poverty and sustainable development in a systematic way. Coherent policy strives to attain the objectives of internationally agreed and nationally accepted agreements and promotes the implementation of sustainable development in a comprehensive and consistent manner throughout the world. The industrialised countries should bear principal responsibility for developing ecologically sustainable patterns of production and consumption.

The Finnish Government pays close attention to the development impact of its policy decisions. To strengthen policy coherence for development, the effects of decisions pertaining to all programmes and actions that have an effect on development are assessed. Priority is given to trade and development, rural development, and the relationship between poverty and the environment.

Internationally Finland is working to ensure that policy coherence for development is followed in the EU and in the UN and other international bodies. The EU is committed to following the principles of sustainable development in all its external and internal actions.

4.2 Complementarity

Finland favours a strong multilateral system and aims to enhance the development efforts of the UN and the effectiveness of its multilateral actions. Like all EU Member States, Finland is committed to the Union's common development policy strategies and agreed best practices. Finland supports their implementation in its bilateral cooperation and in all EU operations. Through the EU, Finland supports developing countries also in regions and areas where it does not operate bilaterally.

In its partner countries, Finland takes into account the wider framework of all aid delivery channels. Finland contributes to the work of the European Commission and international organisations at the country level. In operational development cooperation Finland aims at convergence of various mechanisms. For example, at country level the Finnish contributions through bilateral, multilateral and European community aid are seen as one and we aim at having one consolidated view across all instruments.

Donors are developing new methods for development funding ('innovative financing mechanisms'). The Finnish Government stresses the importance of traditional official development cooperation, but at the same time contributes actively to the international debate on the new mechanisms. These should complement official development cooperation, and funding from innovative mechanisms should be channelled primarily via existing aid delivery channels.

4.3 Effectiveness

Finnish development policy emphasises effectiveness, division of labour between donors, and developing countries' ownership. Allocation of more financial resources is needed, but it is not the only way to

contribute to sustainable development. Financial measures must be complemented by more effective operations and improved quality of aid. Finnish development cooperation builds on the partner countries' own poverty reduction and development strategies. Decisions related to the content of development cooperation are made jointly with the partner countries. In order to enhance the effectiveness of development assistance, Finland supports joint programming both in the EU and in the wider donor community.

Finland promotes more effective development funding in both bilateral and multilateral cooperation and strives to influence the country programmes of IFIs and UN agencies in accordance with its own development policy guidelines. The predictability of Finnish development funding will be further improved in order to boost its effectiveness.

The Government stresses the importance of effectiveness in policy guidance, operational planning and country-level programming. The planning of operational work will draw on the findings of the monitoring of the Paris Declaration. In the first monitoring report of the Paris Declaration Finland is placed above average in 5/9 indicators, at average level in 2 and below average in another 2 indicators. Together with its partner countries and other donors, Finland aims to identify the areas in which it has a comparative advantage. In order to promote the effectiveness of Finland's development cooperation, the Government is committed to improving its national decision-making and administrative guidelines.

Finland mainly provides its contributions to multilateral organisations in the form of untied core funding; bilateral aid is effectively all untied and humanitarian assistance is based on cash contributions to international organisations.

PART B: IMPLEMENTING THE INTERNATIONALLY AGREED GOALS AND COMMITMENTS IN REGARD TO SUSTAINABLE DEVELOPMENT

Based on the road map of sustainable development, Finland is committed to fostering sustainable development in the international community. In 2002, at the World Summit on Sustainable Development in Johannesburg, Finland adopted the United Nations Johannesburg Plan of Implementation (JPOI) for sustainable development. Since then, sustainable development has been an essential element of Finland's international activities and practical efforts have been made to facilitate the implementation of the goals.

The United Nations Commission on Sustainable Development (CSD) is responsible for providing policy guidance to follow up the JPOI at the local, national, regional and international levels. The CSD's two-year cycles, each cycle focusing on clusters of specific thematic and cross-sectoral issues, guide also Finland's actions for implementation.

5. National developments

Finland's national sustainable development policy is characterised by broad-based participation of various stakeholders in the planning and implementation of the policy. Multistakeholder participation is combined with high-level political leadership. According to the Finnish experience, it is possible only through persistent and systematic dialogue between the government, public administration and civil society to mainstream sustainable development and integrate over-generational long-term objectives into successful policy measures.

Finland's long history of sustainable development strategy work is based on global agenda. The key documents have been:

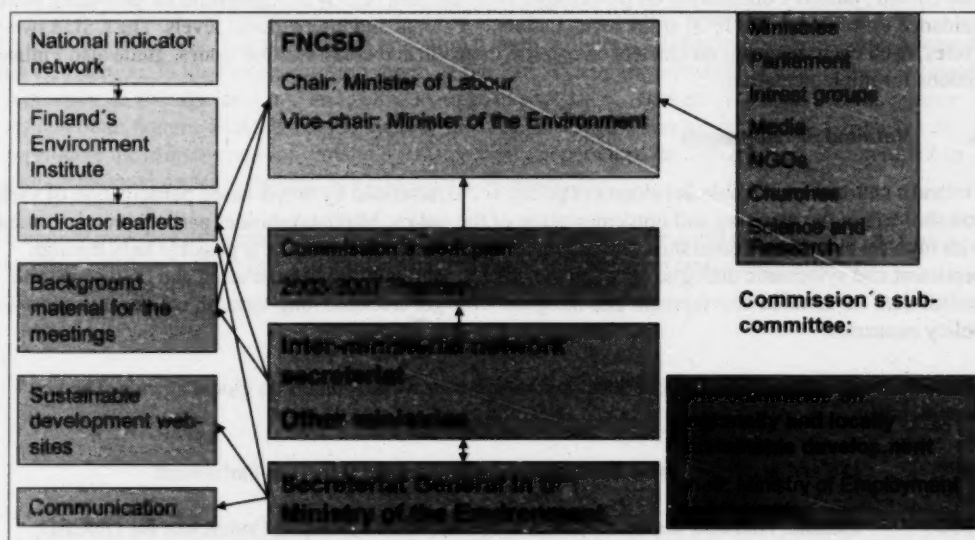
- | | |
|------|---|
| 1990 | Finland and Sustainable Development. Government Report to Parliament. |
| 1992 | Finland. National Report to UNCED by the Finnish National Committee for UNCED. |
| 1995 | Finnish Action for Sustainable Development. Finnish National Commission on Sustainable Development. |
| 1997 | Finnish Strategies and Programmes for Sustainable Development (Ministry of Environment and FNCSD). |
| 1998 | Finnish Government Programme for Sustainable Development. Council of State Decision-in Principle on the Promotion of Ecological Sustainability. |
| 1999 | Finnish Government Programme for Ecologically Sustainable Construction. |
| 2003 | Evaluation of Sustainable Development in Finland. |
| 2006 | Towards Sustainable Choices. A Nationally and Globally Sustainable Finland. National strategy for sustainable development. |

Since the late 1980s, Finland has strived to reinforce the role of sustainable development in decision-making and to strengthen mechanisms to improve the coherence of various sector policies. **Finland's National Commission on Sustainable Development (FNCSD)** was established in 1993 and it was chaired by the Prime Minister until 2007. The Commission has introduced into the national debate several themes that concern sustainable development. The FNCSD is a forum where different stakeholders present their ideas,

goals and programmes and engage in a broad debate about sustainability. In addition to environmental issues, the social, cultural and economic aspects of sustainable development have also gained a firm foothold in Finland.



Finland's national commission on sustainable development (FNCSD)



Box 4. Finland's National Commission on Sustainable Development

The current National Commission on Sustainable Development was nominated by the Government in February 2008 for the 5-year period of 2008–2012. The 43 members of the Commission represent the Government and Parliament; national, regional and local administration, the Sami Parliament, business and producer organisations, labour unions, NGOs, religious organisations, media and the scientific community. The Commission is chaired by the Minister of Labour while five other ministers act as members. The main task of the Commission is to advance the implementation, assessment and follow-up of the national sustainable development policies, to engage old and new societal actors in the work, and to keep the sustainable development policy process in the mainstream of the national policy agenda.

The work of the FNCSD is outlined and prepared by an inter-ministerial secretariat which convenes 8–10 times a year. The secretariat comprises about

20 members from different ministries, each taking responsibility for the preparation of themes within their area of expertise. The FNCSD's Secretary General and Secretary are based in the Ministry of the Environment.

The most recent Government strategy for sustainable development "*Towards sustainable choices. A nationally and globally sustainable Finland*" was adopted in December 2006. The strategy identifies climate change, adaptation to rapid global economic changes, and demographic changes as the most significant development trends and challenges of sustainable development at the national level. In the global scale, the most important challenges are climate change, poverty, inequality and population growth. These global challenges also have an impact on Finland and the strategy emphasises the interdependence of sustainable development in the industrialised and developing world.

The main strategic objectives can be found in the fields of natural resources, sustainable communities in a sustainable regional structure, human well-being, the economic basis for sustainable development, global responsibility, education, research and development, know-how and innovation, as well as economic policy instruments. The strategy emphasises that sustainable solutions to the national and global challenges require simultaneous and mutually supportive short and long-term actions at the national, EU and global levels.

The first progress report on the implementation of the strategy was submitted to the FNCSD in December 2007. In addition to sectoral reports, the strategy's key indicators were updated and published together with the progress report. Implementation of the strategy is assessed bi-annually and the evaluation is linked with the assessments of the EU's Strategy for Sustainable Development.

5.1 Sub-national level developments

A **special committee on locally and regionally sustainable development** was established in 2007 under the FNCSD. The objective of the committee is to secure local and regional participation in the implementation of sustainable development policy. It comprises representatives from various ministries, regional organisations and municipalities, private sector, labour unions, NGOs and religious organisations. The Committee concentrates on the promotion of sustainable climate and energy policies as well as on eco-efficient land use and transport systems and sustainable community structures at the regional and local levels. As an example of its operations, the Committee has launched regional competitions on climate change mitigation and energy-efficiency. Various multi-stakeholder bodies can participate and present their proposals.

In 2004–2007 a comprehensive regional and local cooperation project was set-up by the FNCSD special committee for education to advance education for sustainable development in municipalities, schools, day care centres, educational institutions, and other civil society establishments.

5.2 Key lessons learned and challenges

The FNCSD has played an active role in the preparation and approval of different strategies, programmes and processes for sustainable development. The preparation of the national strategy for sustainable development was done in a comprehensive and inclusive process with participation from public administration, businesses and labour organisations, local and regional authorities, commerce and producer organisations and NGOs.

The strategy guides both short and long-term activities and its guidelines form the basis for Government policy programmes. The FNCSD submitted its contribution also when major political parties were negotiating the composition and programme of the new government after the 2007 general election. The Committee's views are relatively well reflected in the final programme. This demonstrates that systematic

dialogue between the government, public administration and civil society helps to integrate over-generational long-term objectives into government policies.

5.3 Sustainable development indicators used in Finland

The first national sustainable development indicators were published in 2000. The publication was preceded by extensive development work that involved hundreds of experts and stakeholders. The publication "*Signs of Sustainability*" included 83 indicators with graphs and interpretations. The indicators covered ecological, economic and socio-cultural dimensions of sustainability.

The indicators were updated in 2002 and 2004. The current indicator set was published in 2006 as part of the new National Strategy for Sustainable Development. All together 34 key indicators were introduced and additional indicators have been developed in 2006–2007. This comprehensive set of sustainable development indicators is used to monitor the achievement of the strategy objectives. The national sustainable development indicators facilitate decision-making and serve as a tool for monitoring sustainable development.

In addition to indicators for systematic monitoring of the strategy, special thematic indicator leaflets for the meetings of the Finnish National Commission on Sustainable Development have been produced. These supply the Commission members with up-to-date information relevant to the discussion on specific themes.

5.4 Getting more from less – Finland's approach to sustainable consumption and production

The national programme to promote sustainable consumption and production patterns (SCP) was prepared in 2005 in response to the UN Sustainable Development Summit in 2002. It creates a ten-year framework programme to promote sustainable forms of production and consumption. The programme proposes 73 different measures and focuses on solutions with the greatest impact on society's eco-efficiency. The measures cover the ecological, economic and social dimensions of sustainability, and forge new links between environmental and business policies.

The main objective of the programme is to find ways to meet society's basic needs in a sustainable way. The programme strongly emphasises the need to use natural resources in a responsible way. Small industrialised countries like Finland are often uncompetitive in global markets when it comes to labour costs. Therefore the significance of material and energy efficiency is crucial, especially with the recent rise of raw material prices. More efficient material use has also a notable climate impact.

Box 5. SCP achievements so far

The Finnish Government examined the proposed programme in spring 2006, and highlighted issues related to economic mechanisms, material efficiency and public sector procurements. The programme of the new Government formed in spring 2007 includes a specific commitment to implement the proposals of the Sustainable Consumption and Production Committee.

The following actions have already been initiated or realised:

- *A new material efficiency service centre has been set up.*
- *Vehicle taxation has been amended, differentiated according to carbon dioxide emissions.*

- *A new scheme enabling employers to provide commuting employees with public transport tickets has been launched.*
- *Taxation has been lowered on services performed for households.*
- *A new programme for sustainable public sector procurements has been drawn up for government approval, including targets for the public authorities, and proposals on how to encourage environmentally favourable choices in the public sector.*
- *Work has commenced on a report to cover the harmful environmental impacts of Finland's material flows.*
- *Discussions aiming at the signing of material efficiency agreements have been started.*
- *A report has been compiled on the environmental impacts of advertising, and the Consumer Ombudsman has examined the use of environmental and ethical claims in marketing.*
- *Energy efficiency agreements have been renewed.*

The programme has turned out to be well-timed to promote the wider discussion in Finland on the increasingly topical environmental impacts of consumption.

Building up sustainable consumption and production patterns is a long process. Finland's experiences show that it is important to take a wide perspective, prioritise key actions, and encourage continuous collaboration between various actors.

Favourable patterns cannot be achieved if sustainable choices are not encouraged, facilitated and supported in society. Reliable and easily comprehensible information on environmental impacts is vital, but this alone will not be enough. It has become evident that appropriate economic, financial and fiscal incentives are needed. Environmentally favourable choices must be made financially attractive by incorporating external environmental costs into prices.

6. Progress made in implementing MDG7 commitments

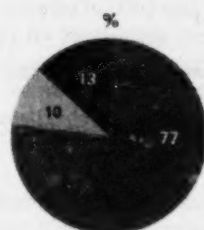
6.1 Finland's Development Policy Programme: focus on ecologically sustainable development

Eradication of poverty and ecologically sustainable development are the most important objectives of Finland's development cooperation in line with the UN Millennium Development Goals. Attaining the goals is possible only if both the developing and industrialised countries pursue economically, socially, and ecologically sustainable policies. Finland's Development Policy Programme stresses the significance of climate change and environmental issues, crisis prevention and support for peace processes. While the challenges faced by development policy have been growing, new solutions for meeting and overcoming these challenges have also been identified.

The programme also states that the three dimensions of sustainability are inextricably linked. It is essential to achieve stable poverty-reducing economic development on an ecologically sustainable basis. For this to be possible, social conditions must be stable. This refers to peace and security, well-functioning democratic governance, rule of law, respect for human rights, inclusive social and cultural development, and action to fight corruption.

Projects focusing on the environment can support sustainable development in several sectors

Finland's bilateral funding allocations to development cooperation in 2007



Other development cooperation	77 %
Improvement of the condition of the environment as an important partial goal	10 %
Improvement of the condition of the environment as the main goal	13 %

Bilateral funding allocations to projects which have the environment as their main goal in 2007



Water and waste management	30 %
Government and civil society less than	1 %
Energy production and distribution	3 %
Forestry	29 %
Industry less than	1 %
General protection of the environment	36 %
Multiple sectors	1 %
Other	1 %

6.2 Support for sustainable use of natural resources: some examples

In development cooperation Finnish know-how and expertise are often used to promote sustainable use of natural resources. In many cases these projects include the use of new technologies. A good example is the **energy efficiency pilot project** in Vietnam by the International Energy Audit Programme. It was launched after the International Conference for Renewable Energies in Bonn in 2004 and expanded in 2008.

Finland supports the UNFCCC negotiations on the post-2012 climate change regime. Finland gives substantial voluntary support to the UNFCCC to support developing country participation in the negotiations. In addition to the UNFCCC negotiations, Finland supports the following international climate change processes:

- capacity-building projects to improve the participation of developing countries in climate change mitigation and adaptation.
- GEF and its climate funds, the Least Developed Countries Fund and the Special Climate Change Fund.
- the Finnish Meteorological Institute is active in the World Meteorological Organisation (WMO) and in adaptation activities of other bodies such as the International Union for Conservation of Nature (IUCN).

One example of combining the promotion of sustainable development and technology transfer is the Energy and Environment Partnership (EEP) with Central America, which aims to **increase the share of renewable energy and energy efficiency** in the region. The EEP is a public-private partnership and builds on local ownership and a bottom-up approach. The main objective is to promote the use of renewable energy sources and clean technologies in Central America and to make energy services more accessible to the poor, particularly in rural areas. It serves as a forum to facilitate discussion on energy and environment policies, to examine energy alternatives and projects and to promote new technologies through pilot and demonstration projects. Currently EEP covers eight Central American countries and supports 162 projects. It has been able to attract 31 European and 36 Central American renewable energy companies. Finland is now considering replicating this partnership model in the Mekong region or in Indonesia.

In the water sector, Finland has supported the Global Water Partnership Organisation (GWPO) to help countries to **apply integrated water resources management** as a means to equitable, efficient and sustainable water management.

In the forest sector Finland has endorsed the Global Objectives on Forests agreed in the United Nations in 2007 as well as other forest-related international commitments, in particular those arising from the Rio Conventions. The objectives include

- reversing the global forest cover loss through sustainable forest management, including protection, restoration, afforestation and reforestation and preventing forest degradation;
- enhancing forest-based economic, social and environmental benefits, including the improvement of the livelihoods of forest dependent people;
- increasing significantly the area of sustainably managed and protected forests, and the proportion of forest products from sustainably managed forests;
- secure appropriate development financing for sustainable forest management.

It is essential that forest issues are addressed both at country and international levels and through active participation of all stakeholders. This is the only way to take full benefit from the potential that forests have in climate change mitigation and prevention of land degradation, desertification and loss of biological diversity. International forestry cooperation is a high-impact tool in poverty reduction and improving the livelihoods of forest-dependent poor belonging often to indigenous groups.

Finland participates actively in the formulation of forest and development policies in the EU, in thematic cooperation on environment and natural resources, as well as in efforts to improve forest governance and to stop illegal logging and trade. Measures to encourage sustainable forest management and avoid deforestation are taken also under the UN Framework Convention on Climate Change.

The Rio Conference also launched the United Nations forest process, which led to the establishment of the United Nations Forum on Forests (UNFF) in 2001. A legally non-binding instrument for international cooperation on all the world's forests was drawn up to establish a framework for further work by the Forum and for the related Collaborative Partnership on Forests (CPF) for the period 2008–2015.

Finland supports the member organisations of the CPF by supporting developing countries in implementing their National Forest Programmes and Policies. Work done through the National Forest Programme Facility hosted by the UN Food and Agriculture Organisation (FAO) and the Programme on Forests hosted by the World Bank has been particularly significant. Finland supports the Science and Technology Initiative of the international scientific community and the work of UN Forum on Forests' Panel of Experts working on the key challenges on forests and environment.

In the bilateral development cooperation, Finland continues to support Kenya, Tanzania, Zambia, Mozambique, Nicaragua, Laos, Peru and the Western Balkans region in forest sector development and in the implementation of their national forest programmes.

Box 6. The Peacebuilding Commission and Sustainable Development

The Peacebuilding Commission (PBC) was established at the United Nations World Summit in 2005. According to its mandate, the PBC focuses on reconstruction, institution-building and sustainable development in countries emerging from conflict. Post-conflict situations require close attention from the UN system, and the UN environmental expertise is needed in this respect. The Peacebuilding Commission is guided by strategies that contribute to sustainable development and environmental considerations have been included in its work. The Support Office of the PBC in New York has been supported by UNEP on matters related to the environment, conflicts and peacebuilding, including the secondment of a UNEP expert. Finland has allocated funds to support the work of an UNEP expert in the PBC in 2008-09.

Environmental sustainability (MDG7) is often seen as the basis for the social and economic pillars of sustainable development, thus intersecting all other development goals. Environmental issues have been emphasised in the Finnish development policy since its inception, and some 10% of the Finnish development cooperation funding over the period 2001–2006 was directed to specific environmental activities. The share is likely to increase further with the strong emphasis on ecological sustainability stated in the 2007 Development Policy Programme.

In bilateral cooperation, Finland strives to concentrate its activities on fields in which the added value that Finland can contribute may have a major impact on global development. These sectors include forest and water management and renewable energy, directly linked to MDG7. Developing countries' national poverty reduction strategy papers (PRSPs) play a key role in the allocation of development funding. Finland, together with its partner countries and other donors, is participating in PRSP dialogue to ensure that their implementation will be ecologically, economically and socially sustainable. It is also crucial to make sure that the donor-wide trend towards direct budget support and sector-wide support does not hinder the ecological sustainability of country-level activities.

The implementation of Multilateral Environmental Agreements (MEAs) provides an important channel for environmental support to developing countries. The implementation of the MEAs demands vast efforts from poor countries. The objectives of the MEAs are extensive, and their fulfilment contributes widely to the achievement of the MDGs. Meeting the requirements of the waste and chemical conventions, for example, often promotes also health and sanitation targets, whereas the pursuit of low carbon development has positive effects both on human health and on local and global environments. By supporting the developing countries' capabilities to implement the MEAs, Finland promotes all the three dimensions of sustainable development. The current Finnish funding for the MEAs is primarily directed to the three Rio Conventions as well as the UNFF. At the same time, the pressure to support also the other conventions is rising.

Climate change poses a great risk to the attainment of sustainable development. The poorest countries will suffer the most from its impacts. It is important that there is readiness in the donor community to respond to the challenges brought about by climate change. The long-term goal is carbon neutral development. Development funding will continue to play an important role in supporting mitigation and adaptation measures in the poorest and most vulnerable regions of the world. Most of the funding for climate change mitigation will come from the private sector. At the same time, synergies between mitigation and adaptation measures should be promoted, for example, via sustainable forest management. Public seed money will often be needed to facilitate technology cooperation and diffusion. The creation of new innovative financial

mechanisms facilitates investments in sustainable energy infrastructure and provides countries an opportunity to leapfrog to pursuing their way to low carbon economy.

The impacts of climate change will be unevenly distributed among different regions, generations, income groups, and men and women. The poor, of which 70% are women, are disproportionately affected. Finland works actively to promote the role of women, especially in developing countries, in matters related to climate change.

7. MDG8 and partnerships for private sector developments

As a response to meeting MDG8 on creating global partnerships and according to the Monterrey Consensus on development financing, Finland's Development Policy emphasises comprehensive financing for development, including partnerships for development, and the need to mobilise the private sector and various institutional players to promote sustainable development. Partnerships between the public and private sectors and the promotion of trade are seen as key strategic means to contribute to economic development and poverty reduction on a sustainable basis. To support the implementation of the new development policy, a cluster approach has been adopted as a way to involve the non-state sector in the promotion of development goals. Sustainable forestry, water and climate change are three of the six clusters which will bring universities, research institutions, companies and NGOs together to develop and implement innovative approaches in development cooperation and sustainable development.

Box 7. Partnership instruments

Finland has introduced two entirely new instruments to promote partnerships and broaden the range of stakeholders in development cooperation. Companies, business organisations, universities, research institutes and other parties are encouraged to engage in development and make use of these instruments. One of the instruments, Finnpartnership (FP), is an aid instrument that has been designed especially for the purpose of promoting partnerships. Since 2006 FP has contributed to the creation of commercially viable partnerships between companies and other business organisations and institutions in Finland and in the developing countries in order to enhance economic growth and reduce poverty. FP provides limited grant support aiming at stimulating Finnish investment in developing countries; all projects must be ecologically and socially sustainable. Furthermore, projects with environmental objectives and pro-poor development impacts are favoured. FP promotes also transfer of environmentally friendly, sustainable technology to developing countries e.g. through joint ventures or business-oriented technological cooperation. As of 2008, the facility has opened a new window for supporting pilot projects applying new environmental technology especially related to climate change. FP also operates a Matchmaking Service, which is targeted at developing country companies trying to find a Finnish partner (and vice versa). In the future, this service will be linked to selected European matchmaking services to improve cooperation and effectiveness. In addition, FP has already started identifying local partner organisations in some of the long-term partner countries to cooperate in matchmaking efforts.

FP is already well established and the demand for its services is growing rapidly. The provided support has spread to over thirty countries, including many LDCs. India, China, Vietnam, Thailand, and Bangladesh are the five most popular countries for partnership projects. Environmental technology, ICT and (renewable) energy have been the key sectors.

Finland has developed a new instrument to enhance participation of institutions in development cooperation. This new instrument provides opportunities for public institutions to cooperate with developing country partners with a view to developing local institutional capacity. It also enables transfer of Finnish know-how and technology to contribute to development objectives in compliance with the requirements of multilateral

environmental agreements. It complements FP and the local cooperation both of which also aim at engaging the private and non-state sector in general in sustainable development.

Finland has traditionally supported a broad range of Finnish and international NGOs. In the past few years, ten NGOs have been selected as partner-NGOs to ensure that more comprehensive, predictable long-term support is provided for NGOs meeting specific criteria and to engage NGOs in more methodical development cooperation. They operate in various fields, including promotion of sustainable forestry to further social and environmental objectives.

In bilateral cooperation special efforts have been made to engage the private sector, and the non-state sector in general, more actively in development cooperation through partnership programmes.